

Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 NEA-10 ISO-00 AID-05 CIAE-00 FRB-03

INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03 SP-02

CIEP-01 LAB-04 SIL-01 OMB-01 L-03 H-01 PA-01 PRS-01

EA-07 /079 W

-----220406Z 000466 /63

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FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 3350

USDOC WASHDC

INFO AMEMBASSY ALGIERS

C O N F I D E N T I A L MOSCOW 1013

USDOC FOR BEWT

E.O. 11652: GDS

TAGS: EEWT, EGEN, PFOR, ENG, AG, UR

SUBJECT: PULLMAN, INC. CONSIDERING USE OF SOVIET COMPRESSORS IN
ALGERIA

SUMMARY. LOCAL REPRESENTATIVE OF PULLMAN, INC., CONFIDED
JANUARY 20 THAT FIRM IS CONSIDERING USE OF SOVIET COMPRESSORS
TO BE USED AS PART OF PULLMAN CONSTRUCTION EQUIPMENT FOR PROJECTS
IN ALGERIA. FOUR TECHNICIANS ARE SCHEDULED TO COME TO USSR
TO INSPECT SOVIET PRODUCTIVE FACILITIES. END SUMMARY.

1. DR. PETER J. JAN DEN TEMPEL, DIRECTOR OF MARKETING AND
RANKING FULL-TIME RESIDENT REPRESENTATIVE OF PULLMAN, INC.,
IN USSR TOLD E/C COUNSELOR JANUARY 20 THAT FIRM IS CONSIDERING
USING SOVIET COMPONENTS IN ITS ALGERIAN OPERATIONS. PULLMAN
HAS BEEN UNDER PRESSURE TO PURCHASE SOVIET EQUIPMENT IN
RETURN FOR ITS PARTICIPATION IN EXPORTS. ASKING THAT
INFORMATION BE CLOSELY HELD, VAN DEN TEMPLEL EXPLAINED THAT
FOUR PULLMAN TECHNICIANS ARE TO COME FROM HOUSTON TO INSPECT
SOVIET PRODUCTION OF COMPRESSORS WHICH COULD BE PURCHASED
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FOR USE IN PULLMAN CONSTRUCTION PROJECTS IN ALGERIA. ALTHOUGH
SOME MIGHT ARGUE THAT USE OF SOVIET COMPONENTS WOULD DEPRESS
OVERALL VALUE OF PULLMAN PROJECT EQUIPMENT, HE SAID, COMPRESSORS
ARE RELATIVELY SIMPLE MACHINERY AND ARE OF ADEQUATE QUALITY.
SOVIET ROLE IN PROJECT WOULD BE STRICTLY SALE OF MERCHANDISE,
WITH NO INVOLVEMENT OF SOVIET TECHNICIANS IN INSTALLATIONS, ETC.

2. ANOTHER FORM OF "INDUSTRIAL COOPERATION" UNDER CONSIDERATION COULD BE JOINT APPLIED RESEARCH, UNDER PULLMAN MANAGEMENT BUT USING MAINLY SOVIET PERSONNEL. VAN DEN TEMPLE SAID PULLMAN HAS SIGNED A VERY GENERAL AGREEMENT WITH SOVIET MINISTRY OF CHEMICAL INDUSTRIES, AT INSTANCE OF LATTER, WHICH IS NOT RELATED TO FRAMEWORK AGREEMENTS WHICH FOREIGN FIRMS NORMALLY SIGN WITH STATE COMMITTEE ON SCIENCE AND TECHNOLOGY. AGREEMENT IS VAGUE ABOUT RESPONSIBILITIES OF SIGNATORIES. VAN DEN TEMPEL WOULD LIKE TO EXPLOIT SURPLUS OF SOVIET RESEARCH TECHNICIANS TO USE THEM TO DEVELOP PROJECTS OF INTEREST TO PULLMAN, WITH EACH SHARING TH RESULTS. THIS IS STILL IN THE DISCUSSION STAGE, HOWEVER. HE SAID THAT A NUMBER OF SOVIET MINISTRIES HAVE BEEN PRESSING FOREIGN FIRMS TO SIGN SUCH GENERAL AGREEMENTS, WITH LITTLE CLEAR NOTION OF WHAT THE AGREEMENTS ARE SUPPOSED TO ACHIEVE.

3. VAN DEN TEMPLE COMMENTED THAT PULLMAN SALES TO USSR COMPRISE TECHNOLOGY, BUT EQUIPMENT IS FROM THIRD PARTIES (HE MENTIONED JAPAN, US AND FRANCE). U.S. EQUIPMENT DOES NOT TAKE INTO ACCOUNT SOVIET SPECIFICATIONS. HENCE EVEN AVAILABILITY OF EXPORT-IMPORT BANK FINANCING WOULD NOT LEAD PULLMAN TO USE US EQUIPMENT, AT LEAST AT THE OUTSET.

4. COMMENT. WESTERN COMPANIES, SUCH AS PULLMAN, WHICH ARE ENGAGED ON THE SOVIET MARKET EXCLUSIVELY OR PRIMARILY AS EXPORTERS HAVE BEEN ENCOUNTERING GREATER PRESSURE TO ACCEPT SOVIET MERCHANDISE IN RETURN. SINCE IMPORTS INTO US WOULD FACE MFN BARRIER, ONE MEANS OF ACCOMMODATION IS TO ACCEPT RELATIVELY SIMPLE SOVIET MACHINERY FOR USE IN COMPLEX PROJECTS
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IN THIRD COUNTRIES. WHILE PULLMAN PERCEIES CONCERN THAT USE OF SOVIET EQUIPMENT COULD GNERATE CRITICISM IN WEST, WHERE THERE IS IDLE CAPACITY, IT BELIEVES THAT THIS MAY BE PRICE FOR RETAINING POSTION ON USSR MARKET.

TOON

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
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Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
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Subject: PULLMAN, INC. CONSIDERING USE OF SOVIET COMPRESSORS IN ALGERIA SUMMARY. LOCAL REPRESENTATIVE OF PULLMAN, INC., CO
TAGS: EEWT, EGEN, PFOR, ENRG, AG, UR
To: STATE COM
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/450661d3-c288-dd11-92da-001cc4696bcc
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